

VERBATIM TRANSCRIPT

CIA RETIREMENT BOARD MEETING

1:00 p.m., 1 April 1965

PRESENT: Mr. Emmett D. Echols - Chairman

25X1A9a

[REDACTED] DDP  
[REDACTED] DDP  
[REDACTED] - DDP

25X1A9a

Mr. Paul A. Borel - DDI  
[REDACTED] - DDI  
[REDACTED] DDS&T  
Mr. Alan M. Warfield - DDS

25X1A

[REDACTED]

MR. ECHOLS: I would like to start out with a few opening remarks.

25X1A9a

First, [REDACTED] had an unbreakable committment so he won't be here until later in the afternoon. Secondly, in your handouts today you have this Civil Service Journal which I commit to you for reading on something about the psychology of early retirees. The Civil Service Commission about a year ago sent out questionnaires to one half of the living annuitants who retired during arbitrary years 52, 56 and 58 -- something like that -- and asked various questions about that retirement and they got a 91 percent return from people queried and this article sets forth very interesting observations and facts about what went on in the minds of the people at the time they retired early and what their subsequent observations have been. It starts on Page 6.

Now the agenda today is a tremendous one. I think we can probably go through it, however, maybe and then some. I think if we do -- I personally am opstimistic -- that after today's meeting, if all goes well, I think we will be on the road to having this thing in motion and I would doubt personally whether more than one or two at the most big meetings

and long meetings like this would be necessary in the future. We planned

a coffee break at three so we will try to schedule things accordingly.

Once again, ~~we~~ we were unable to get ~~the~~ minutes to you in advance. The ~~task~~ task just proved to be one of almost physical impossibility and there is a question in my mind whether we need such detailed minutes. I don't know. I'd like to ask your opinion on this, although maybe for the initial sessions they are a good idea and I think in the future when you are dealing with business at ~~hand,~~ and I mean practical problems, there will be no need for this type of thing. I would like to remind all of you that we do take a transcript of the meetings. It would simply be impractical to try to edit this ~~thing~~ and shape it up and distribute it. I don't think that is worth while but you should all realize that should ~~you~~ you want to check as to what was actually said about any given point or ~~any~~ time in ~~the~~ future there is in fact a transcript available, which, in itself, may ~~make~~ reduce the need for detailed minutes.

Getting down to the minutes themselves, are there any changes, corrections or deletions that you would like to make at this time?

25X1A9a

~~\_\_\_\_\_~~ I have one. Page 9, paragraph 16 does not reflect the comment that even with the flexibility given ~~with the~~ by the 90 days for putting an individual on order prior to the fifth and tenth year review this would still not give us the flexibility we need to handle overseas assignments unless we are able to give a liberal interpretation from the words "normally" and "standard" which appear in the ~~text~~ text which you cited as having a connotation of flexibility.

MR. ECHOLS: Right. I think if you don't mind, rather than try to change these minutes, I'd like ~~to~~ to make a special item of this to bring it out at either this or the next ~~me~~eting.

25X1A9a

~~\_\_\_\_\_~~ If we could just clarify this point because I do attach importance to it ~~and~~ it need not be in ~~the~~ the minutes at all.

MR. ECHOLS: Any other corrections or omissions?

MR. BOREL: I agree. A great deal less detail is needed for minutes. I think primarily what was decided, what action was taken or contemplated and perhaps elaboration only on basic points that sort of bench marks.

MR. ECHOLS: We thought at this point we were still - our doubts and misunderstandings were popping up here and we thought some pretty useful minutes would be desirable. I hope we can cut them down.

Now the first item I would like to try to put to bed is the question, and the immediate question that would come up the minute a career service tried to screen its people, is what is the eligibility of employees with respect to participation in the new CIA retirement system? If they are already eligible to retire under the Civil Service system if they have already had full careers. In other words, to illustrate the problem we have some statistics here - a little statistical breakdown which I'd like to run over with you. Do you all have copies of that? This shows in Item 1 the number of employees in the Agency who <sup>are</sup> have 50 years of age or older, who have 20 years or more of federal service and 10 years or more of Agency service. There are [REDACTED] such 25X9 people. In other words this is the maximum number of potentially eligible people who, if you put into the new retirement system, would be eligible for immediate retirement either optional or direct. This is just a mass quantity statistic. As we know, a great majority of these people are not eligible, but this shows you the maximum age grouping of this type. The next figure, which is more meaningful, shows the employees which are 60 years of age or older with 20 and 10. Now these people, if eligible and if designated to our new system would automatically be retired immediately under the compulsory retirement provisions,

barring a few cases who might be GS-16 level and therefore their retirement age is 65. These are people who, if put in the system, would immediately be retired under compulsory retirement provisions unless the Director approved their retention for a period of time.

25X1A9a

Do ~~xxxx~~ they have 5 years qualifying service?

MR. ECHOLS: We don't know that. This is the maximum number who could be effected so the problem becomes a little more manageable right here. The next statistic - employees 60 years of age, 30 years of service and there are only 11 of these. These are employees we have put in the system not only be retired because they are over 60, but they currently have the option to retire under Civil Service with no penalty for age. They get a full annuity. They have had a full 30 years career and already have the option to go out under Civil Service. The next figure item number are employees 62 years of age or older with more than 5 years service. They too of course have the option to retire under Civil Service if they wish; however, this group also, plus the preceding group are the two groups who are currently subject to the Agency early retirement policy. Age 60 with 30 years service and the age 62 with 5 or more years - so we have here a total of 58 people who are currently under our Agency policy are expected to retire under Civil Service retirement system unless they are extended for compassionate reasons or unless their deputy director desires their retention. This last figure has some meaning.

25X9

25X1A9a

I assume the 11 are also included in the and do you really mean 31 March or 31 December.

MR. ECHOLS: Yes, and 31 March.

MR. BOREL: It went from the basic computer listing we had?

MR. ECHOLS: The last statistics - those of \_\_\_\_\_ with 30 years service. These are individuals who have the option to retire under Civil Service but with the penalty of up to 5 percent because of age below 60, so this gives us the rough dimensions of this problem.


Now along with this, let me make some comment. The question

before us remember is what is the eligibility of employees with the new CIA system if they have already served careers, if they are already subject to the CIA early retirement program under the Civil Service or if ~~they are~~ already have the option to retire under Civil Service. Let me try to speak to these points. Taking group 5 down here - those who have the option to retire but are well below age 60. - I would say that <sup>the</sup> fact that this group has an option to retire under Civil Service should have no bearing whatsoever as to whether or not they are eligible for the new CIA system. I think we all agree and just strike ~~that~~ that group out of the picture.



MR. BOREL: Why do you say that? I don't think that follows at all.

MR. ECHOLS: They are ~~not~~ subject to current Agency policy to retire early. 5 years or below age 60, whichever is true as the case may be. The option they have now is strictly ~~there~~ theirs. They have not had full careers. They <sup>have</sup> had full careers in the 30 years sense but there is also ~~a~~ a penalty involved in their retirement and if ~~they~~ they qualify to the new retirement system I would see no impairment whatsoever or impediment to permitting ~~them~~ them to be put into the system.

25X1A9a


 It would be much to their advantage to be put into the system.

25X1A9a

 An example is  He came to me 25X1A9a said "I have heard if you are eligible for retirement under Civil Service I cannot retire under the new system." He said, "I am 55 and that's with a penalty." This is ~~the~~ the point I think he makes.

MR. ECHOLS: Under no circumstances.

25X1A9a

 He shouldn't be considered as Civil Service retirement.

MR. BOREL: Suppose a man didn't want to retire. I think this might have a bearing on whether he goes into the system or not because

if he intends to stay until 60 and being retired with 35 years service at 60 why should he use up a slot the Agency may need to reduce a hardship on someone that is going to retire at an earlier date. In other words, people in this category I would say we should not consider whether they are going to be in or out of the system until we have some indication of whether the Agency wants them to retire or whether they themselves asked to retire.

MR. ECHOLS: But they are not subject to any inducement to retire at this age.

MR. BOREL: Let them stay in the Civil Service. They are going to stay on.

MR. ECHOLS: If the man otherwise meets the criteria of eligibility for the new system why should he not be granted the benefit of the new system?

MR. BOREL: I think it depends on whether you are going to have enough of these slots to take care of all those who meet the criteria.

25X1A9a [REDACTED] I think how many of the [REDACTED] are qualified will show us 25X9 whether --

25X1A9a [REDACTED] Why should there be any penalties to the man who is 55 and 30. Why should he not be given the same opportunity.

25X1A9a [REDACTED] I think if these people were brought in now it would be shut out due to numerical limitations. The answer depends on how many of the 25X9 [REDACTED] we are to retire in the next 10 years are qualified, then if there are more than the quota then there is a squeeze, but if not I see no question on this category 5.

25X1A9a [REDACTED]: To me the deserving is the case by case basis and I don't see 55 versus 50 is worth consideration.

MR. WARFIELD: It isn't a question of whether they be allowed to be participants. I think this should be allowed.

MR. ECHOLS: That is, should they be allowed to be participants and the fact they have an option to retire as a penalty in no way should be a block to their being eligible. I see no reason to hold this impediment. Do you still have questions?

MR. BOREL: I agree with your statement but I think you are only saying half of it. It shouldn't be a bar, but whether they should be in the system -- whether it should not be considered together with the whole scheme of things. When you consider this is a management tool, I don't agree.

MR. ECHOLS: That's only a piece of the picture -- management tool. It's a big piece too.

MR. BOREL: I think it's particularly pertinent now, just applying it, and you don't know how many.

MR. ECHOLS: But these are immediate questions you're going to be faced with in screening people for admission or non-admission to the new system and you can't wait a year or two years to see what the total grouping is before you decide whether or not to afford this man a privilege. I think as a policy matter you have to decide is there a bar or not a bar and if not you make him eligible for participation if he meets the criteria.

25X1A9a [REDACTED] Mr. Chairman, what happens if this group in number 5 and other groups here have the qualifying service and the number exceeds 100 the first year? What are we going to decide?

MR. ECHOLS: It doesn't matter. We are not limited to 100 retirements the first year.

25X1A9a [REDACTED] Then let's take it further. You are limited to 400 between now and 1969. Suppose this exceeds that because if this were intended as you have said all along -- to give benefits to an individual -- perhaps a lot more than I think are going to come under it and may want to retire voluntarily because they have the 20 and ~~that~~ they are 50 and they have the 5 qualifying years and 10 years service with the Agency. That might exceed your 400.

MR. ECHOLS: If it does you will be forced to remain within the limitations of law. You have no option. You can seek legislative relief, but the Director will be forced to control the program both in voluntary and on the involuntary side. There is no option other than to seek relief.

25X1A9a [REDACTED] Unless we look at that right now in the light of the possibility of numbers we may find ourselves in three years either having to go to Congress and waiting in which case we would be saying to a lot of individuals, "Sorry, the precedent we created in 1965 we can't follow any longer because we have exhausted the statutory retirement in numbers."

MR. ECHOLS: What is obnoxious we are trying to settle right now. The question is should this man be disbarred because he has an option to retire optionally under Civil Service?

25X1A9a [REDACTED] Doesn't that depend on how many really in this group have the qualifying 5 years? Wouldn't you look at it that way?

MR. ECHOLS: I don't see why.

25X1A9a

[REDACTED] If you are going to make the decision today --  
[REDACTED]: You may end up with a large number of people  
with 60 and 30 who have elected to participate in the system and thus are  
retired at age 60 under the system just using one of our quota, denying us  
the opportunity to retire somebody who ~~is~~ has 20 and is 50. This choice we  
may have to make one day.

MR. ECHOLS: We may have to.

25X1A9a

[REDACTED] Now the regulation very explicitly states the  
Director may not approve or disapprove the election of this individual to get  
into the system.

MR. ECHOLS: Right.

25X1A9a

[REDACTED] But it is implicit that he may not have the authority  
to let him retire under ~~the~~ if we exceed the 400.

MR. ECHOLS: This is a legislative anomaly and I know of no solution.  
Operationally this could be done - the man is in the system but because we have  
used up the quota he can't retire even though he wishes to. What could be done  
of course is the man could be, with his official consent, be removed from the  
system and put under Civil Service so ~~he~~ he could retire under that. I know of  
no way of solving this problem.

25X1A9a

[REDACTED] I wasn't arguing for or against the manner in which you  
interpreted that but I was wondering if in a period of time when we would be  
better able to determine this question.

MR. ECHOLS: I would think not.

25X1A9a

[REDACTED] I wouldn't either.

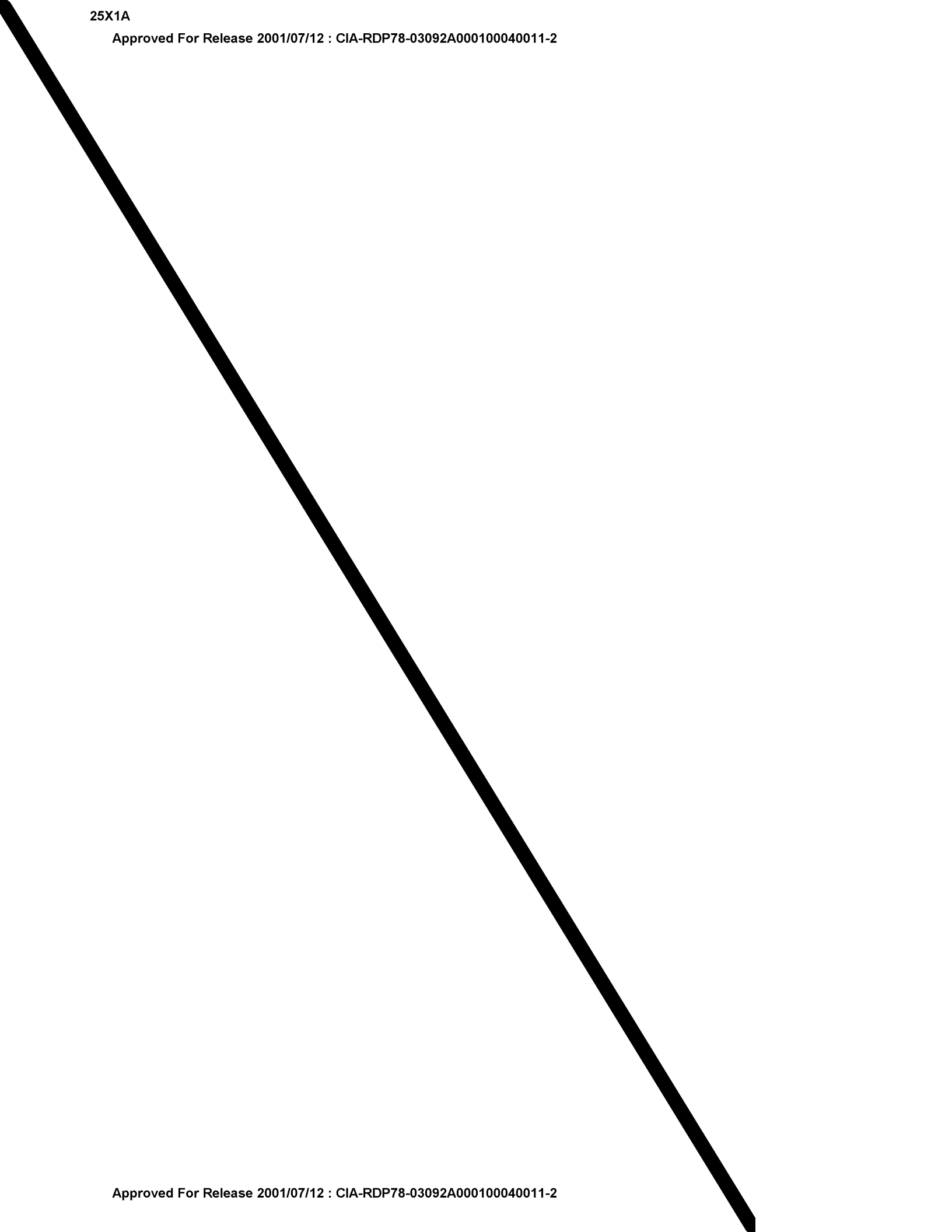
MR. ECHOLS: This is a matter of sheer equity and a logical determination.

25X1A9a

[REDACTED] It would seem to me if you were to penalize these people then  
you would have a consideration about the man who has 25 years service and is 58  
and say, "Well, since he had two years to wait, let's not consider designating  
him as a participant," but I say no more reason than the man who is 55 because  
chances are he is going to wait till he is 60. I don't see why.

MR. ECHOLS: I would like to show this group for a second if there  
are questions in your mind, let's take a case by case study of people who  
represent these other groups here. I think you have a summary sheet covering





MR. ECHOLS: The question of legal effectiveness of the Act will have to be resolved. I don't know what the answer is. I think I know what the answer is and if you want my opinion I believe no individual will have any entitlements under this Act until the day he is designated a participant in the system. Now I believe also that it will be possible to make a retroactive designation up to the date that the Director signs the regulation. I am no lawyer but these are my off-the-cuff opinions.

25X1A9a [REDACTED] has a slightly different case. He is age 62, 21 years of service and I don't know the particular background of this case. I believe he is overseas. Has there been any indication he has applied for retirement?

25X1A9a [REDACTED] [Didn't hear]

MR. ECHOLS: The next case is interesting -- [REDACTED] 25X1A9a

25X1A9a [REDACTED] He is a \_\_\_\_\_ officer.

25X1A9a MR. ECHOLS: [REDACTED] qualifies in every respect in terms of years of

federal service, Agency service and overseas service. He is also eligible for Civil Service retirement and he intends to retire and currently, you might say,

25X1A6a is in retirement. He is on LWOP status and living in [REDACTED] I believe, and the reason he is in LWOP status is to stall and see whether or not he is entitled to retire under the new system as opposed to the Civil Service system. Now the reason this is an interesting case is this: this man's intentions to retire are already known. His fact of retirement is technically accomplished already. He is not currently drawing an annuity under any system so really he is not retired and the question I ask you is should he be eligible for the CIA retirement system. An argument against it actually is one of quota, but let me point this out to you. There may be, and no doubt are, a dozen people who are just as

25X1A9a eligible for retirement as [REDACTED] just as eligible for this CIA

25X1A9a retirement system as [REDACTED] who are merely sitting at their desks waiting a decision as to their eligibility to retire under the new system and who, the minute they are put into the new system, will either apply for voluntary retirement or because they are age 60, will be retired because they are at the compulsory retirement age and I ask this question -- do you choose to discriminate between the man who is sitting at his desk and performing a job awaiting a decision or a man who is using his leave waiting a decision, and this is the only case I know of.



25X1A9a they in this system or in the other system and [REDACTED] goes along with them.

As you know I have a similar case. I have a man 57 with 30 years of service who has sent in his letter and is running out the last few days of his annual leave. On April 12 he goes on leave without pay and he is writing in now saying, "I don't know whether I can afford this leave without pay. Is there any way I can make a decision?"

MR. ECHOLS: I bring these up for two reasons -- one, we wanted to study some cases and when you go to the <sup>General</sup>Civil Service and say start screening your people they are instantly going to face these problems and these are the present cases. My own belief is this, that up until a man actually becomes an annuitant we can say he intends to retire or we have scheduled him to retire, but it's not a matter of legal fact and the Lord only knows war could break out and the man who is scheduled to retire is suddenly back in harness. I would also like to avoid the problems of deciding "yes" on one guy and "no" on another because we have got our system going two weeks too late.-- the Director signed this week instead of the previous week -- and I would rather include all of these people as being eligible members for the new system provided they meet the other requirements to avoid all these little pit-falls.

25X1A9a [REDACTED] We come back to the problem of numbers.

[REDACTED] I am perfectly willing to operate on the basis either that we have got enough spaces or that Congress will provide enough spaces. I think that is the only sound way we can operate, otherwise, we get into all sorts of inequities which may arise by trying to allocate these on a year by year basis or any other fashion that I can conceive of.

25X1A9a [REDACTED] It looks adequate. I doubt if more than \_\_\_\_\_ of these [REDACTED] will qualify.

MR. ECHOLS: Only a small fraction of these.

25X9

MR. WARFIELD: Has anybody possibly qualified retired since this enactment?

MR. ECHOLS: I can't say. I don't know.

MR. WARFIELD: You are going back. These people are hanging on. Harry's man is hanging on for a decision. If you are going to recognize those how far back do you go?

MR. ECHOLS: This is purely a legal matter and those in fact retired under Civil Service retirement you can't ~~reverse~~ retroactively undo that and you can't go back prior to the time I believe the date the Director signs the regulation.

I don't think under any circumstances you could go back prior to that date. Our

lawyers would have to tell us this. Anybody who is retired before that date is absolutely out, period. This happens every day. There always has to be a cut-off in any new benefit -- salary increase, retirement increase -- and there is nothing you can do about it. We will have to determine what the precise cut-offs are and I would certainly like to settle these questions quickly so some poor guy who is hanging here doesn't make a step which is irretrievable and thereby lose out. I personally feel we should take the broadest possible latitude and not consider as an impediment to consideration the fact that a man is already eligible to retire in Civil Service, <sup>If he has</sup> otherwise earned this participation in this system give it to him. Why have him leave the Agency with a bitter taste in his mouth because he was discriminated.

MR. WARFIELD: But the intent of the Act was for this early retirement.

MR. ECHOLS: The intent of the Act, studying the cases presented, is two things. We said we cannot assure full careers to all the people in this field of work. We must be able to manage our attrition but we didn't say everybody was going to retire early. Many of ~~the~~ those people obviously not only will have a full career but the ~~provision for the~~ provision for the Director to extend them beyond the full career is proof that we intended that some people would not only have a full career but more than a full career, but we have also testified these people were deserving of a better retirement system with better benefits because of the hardships ~~impositions~~ that is inherent in this ~~type~~ type of work, so there is all the argument. These people have earned this better retirement system ~~or these~~ and these benefits too in most cases. For those in this age bracket this is only 3.75 percent which is no more than Foreign Service gets and I think we should say we should give due \_\_\_\_\_ to this earned principle.

25X1A9a [REDACTED] I'd like to add along with the fact that one of the easier ways of doing this would be to say anyone qualified is designated and should be designated.

MR. ECHOLS: Anyone still on Agency rolls.

25X1A9a [REDACTED] There would be this exception. These people who are now qualified under Civil Service, regardless of what decision we make later on on the option, I think these people who are now qualified under Civil Service should be able to elect to say, "Never mind, I will get out under Civil Service." I think you will find people who have 40 years and they will say, "I will go out with the 40."

MR. ECHOLS: The point you just raised, of course, we will take up and solve separately because we plan to operate this system in such a way that nobody will be penalized if retirement under another system is more favorable to him. I think we have gone through this. One reason this is important when we went out rosters out to the career services we have got to give them guidelines as to ~~what~~ how they would handle people in these categories and I would like to ask them to ask them to handle them in the broadest possible way and assume no impediments. The Board will have another crack at them as individual cases but for screening purposes initially I would like to give the broadest guidelines possible to the career services.

25X1A9a [REDACTED] Just a point of procedure but how do you intend to resolve this question right now?

MR. ECHOLS: The only way I know to resolve it is to write up these problem questions and answers. I'd like to submit~~them~~ them to the Board formally to recommend their adoption. I'd like to put my endorsement on it with my other hat and fire it up to the Director and say, "These are the rules that we recommend." The Director can approve it and that is it.

25X1A [REDACTED] I happen to agree with your view on the matter and what ~~is~~ I was really driving at is do you want this in terms of a resolution for Board action or --

MR. ECHOLS: If the Board will approve this right now I would like that.

25X1A9a [REDACTED] Might it not be better to do what I thought you were recommending.-- give the guidance to the components -- "Anyone who is eligible, designate him," and see what we come up with here. Some are going to come up with the man didn't want to sign the statement because he wants Civil Service. If we get the broadest possible input do we have to make that decision?

MR. ECHOLS: No but we would ultimately be faced with it and this could be written up right now and shot up to the Director because I can't ask him to sign this before he signs the regulation.

25X1A9a [REDACTED] Why not do it now? I think you said there will be a small number of these immediate cases. I don't think we need to wait to see whether it's 30 or 40 or 50.

25X1A9a [REDACTED] What are you contemplating?  
[REDACTED] If we decide now anybody who is eligible under the criteria established by the regulation can retire under the system.

MR. ECHOLS: He can be a participant without regard to his present age or his present eligibility for retirement under Civil Service retirement system.~~xxxx~~  
Would that be it?

25X1A9a [REDACTED] But are we going to do this on a piece-meal basis?

MR. ECHOLS: On real policy questions I think we will be obligated to get the Director's concurrence. I am not even sure this is a really important policy decision myself.

25X1A9a [REDACTED] If we recommend this now we can take faster action on some of the cases that are hurting at the moment such as the man whose pay runs out on the 12th.

25X1A9a [REDACTED] I am sort of with you. I'm not sure we have to go anywhere else beyond us.

MR. ECHOLS: I don't know if there is any ~~xxxx~~ need to make a formal motion. Is it understood what we are proposing?

25X1A9a [REDACTED] You ought to state it properly.

MR. ECHOLS: I'll see if I can do this. The Board recommends that any Agency employee who meets the qualifications for designation to the CIA retirement system may be so designated without regard to the fact that he may be currently eligible for retirement under the Civil Service retirement system.

I think that covers all these cases. Is that approved.

25X1A9a [REDACTED] We are approving this as a Board.

MR. ECHOLS: Yes, and I will see if it is necessary for us to go to the Director and if it isn't it will permit us to tackle these borderline cases the first thing right off the bat.

25X1A9a [REDACTED] I think you ought to have a "yea" or "nay".

MR. ECHOLS: All those in favor.

[Mr. Bore~~z~~ held up his hand as opposed]

MR. ECHOLS: It is duly recorded the "yea's" have it.

25X1A9a [REDACTED] The man who might be eligible for retirement under Civil Service and who does not chose to go under the CIA system, even though eligible in the procedures at the career service ~~at~~ level within the component if there is any exchange of information between the service and the individual this might be explained in such a fashion that if he voices a desire not to be nominated it might stop some paper work coming to this Board and save a little bit. He has

had his consideration at that level and he has voiced a very positive declination letting it go at that. He wants to go under Civil Seervice. Would this be appropriate?

MR. ECHOLS: I don't know. One of the items on the agenda is whether or not participation in the system is going to be optional and you are indicating a man who does not want to be a participant on the initial designation, so I would like to table that.

25X1A9a

[REDACTED] It doesn't say he has to be. It says he may be.

[REDACTED] What I was think of was something to cut off paper work reaching the Board.

25X1A9a

[REDACTED] Haven't you just corrected a statement you made early in the meeting last week that he may elect and he may elect not to? Are these inconsistent?

MR. ECHOLS: There are two periods where the election question comes up. One is the matter of the option initially not to be made a member of the system and the other is the 15 year option which I hope to discuss on today's agenda.

25X1A9a

[REDACTED]: Isn't this one equivalent to the 15 year one? Isn't any individual 15 or over now actually making the decision that --

MR. ECHOLS: I would think so, Jim. In fact if the man on initial designation acquires full final and vested right it is the equivelant of the 15 year election.

25X1A9a

[REDACTED] We happen in this case to be limiting to only those who have more. I mean 20. That part is a one-time deal. There will be no more like this. We really haven't addressed ourselves to the 15 year yet.

MR. ECHOLS: I would like to take up Item 3 herex which I tried to take up prematurely once before and I hope we can do it this time. It's important we get these forms to the printers so when they are ready to go we ~~am~~ can do so.

25X1A9a I'd like [REDACTED] to run through these forms with us and review them.

Phil, what do you have to say about these new forms.

25X1A9a

[REDACTED] I think we had total agreement on the meeting before last on the form itself with the exception of page 2. We went to page 2 and it was suggested that the last sentence of 6.C, item 1 be removed.

25X1A9a

[REDACTED] I don't think we did a thorough job. I have a few comments



I think on the nit-pick side but we might as well get them right. Most of these came from my staff who took a look at them. One of the questions we are asking we find it very easy to come up with 5 years of qualifying service. We are not ready to swear this is all the service and there is a real serious question in terms of work load. Once we hit five years we have to go on and list all 12 years. Under item 1, list period of qualifying service. If you want to read that literally you don't have to list over 5 years. Do you mean that or do you mean to list all periods of overseas duty.

25X1A9a [REDACTED] I think the Chairman has addressed himself to that in which you did indicate that though the five years but if you have more, without leading too much in depth, then give what you have because this could result in a feed-back to us and back into the computer system for record purposes and verification purposes. You do have a point because if you go over the 5 years this has nothing to do with the man's annuity.

25X1A9a [REDACTED] Do we list it all or do we just list a minimum of 5 years?  
I think we would list what you have available.

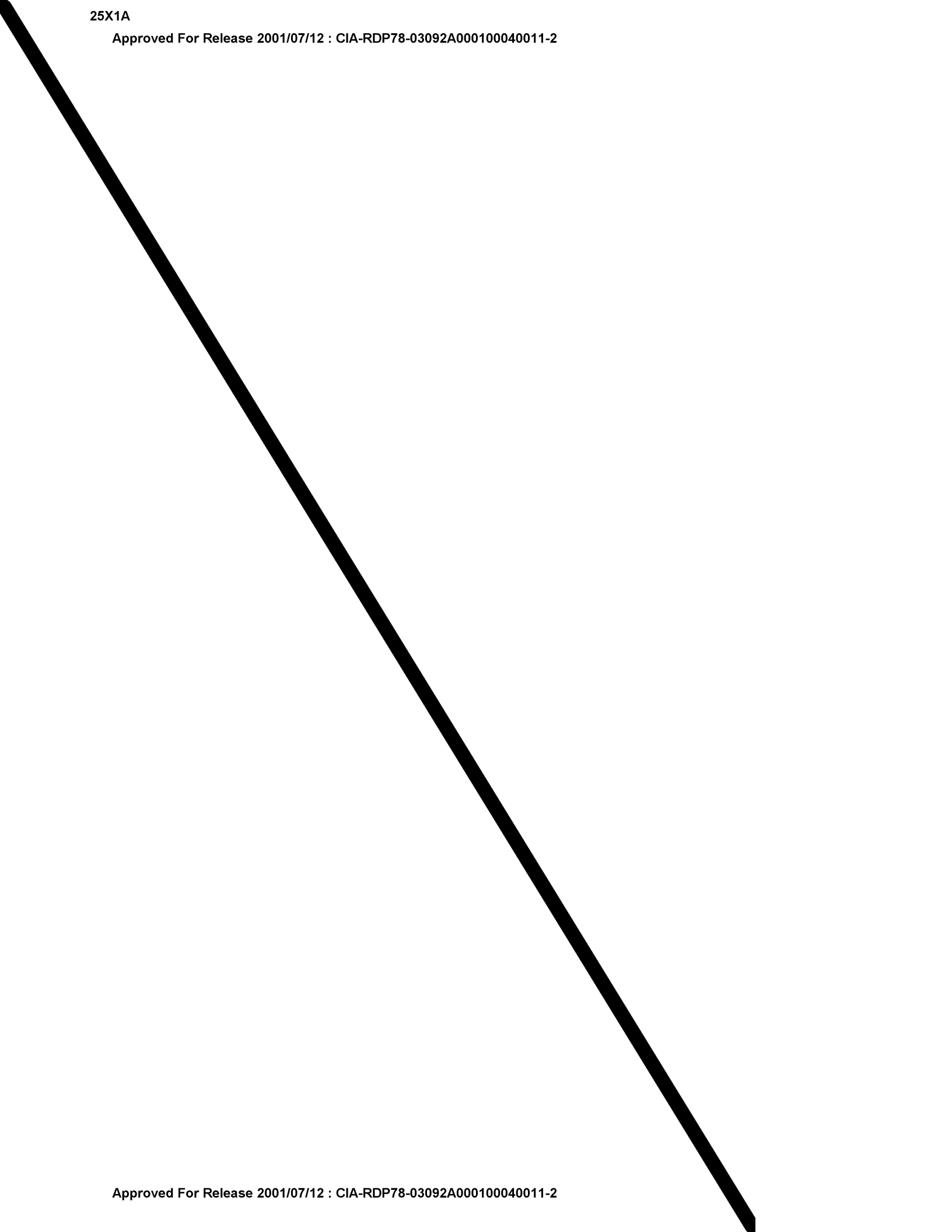
MR. ECHOLS: I don't know ~~yet~~ quite how to answer that. For the purpose of qualifying, legally all we need on tap on the record and verified is 5 years and and the answer to "Why go beyond that." Then I can think of immediately someone says, "Well now, just how much overseas time have your retirees? As an average how many years do they have?" If the record is at least fairly complete I wouldn't dig up the TDY's but if the guy has 12 years, why stop him half way through.

25X1A9a [REDACTED] If it's all there nice and clear we will put it on but some is very muddy.

MR. ECHOLS: If you clearly have 5 or more in the record put it down. Statistically it will give us a much broader background. I would say we would only play around with TDY if it's needed to establish an eligibility or establish a man has performed the minimum amount of qualifying service.

25X1A9a [REDACTED] Now I go down to Item 4. The "conformed copy" sort of throws me. It seems like a poor word. It's redundant with copy. Don't we mean a legible copy?

25X1A9a [REDACTED] We sort of explained that in Item 4.  
If that is what we mean I don't see why we don't say it in the first place.



25X1A9a

[REDACTED] Do others use the green sheets that we use?

I don't think so.

We use these green sheets --

You might use that instead of a memo. Maybe we ought to clarify the instruction that all this means is an appropriate statement by someone who could certify that this man is under orders. It doesn't mean any specific form.

MR. ECHOLS: I think that is a good idea and do away with the form requirement but rather a statement the individual is under orders to go.

25X1A9a

[REDACTED] "On or about 90 days" -- on or about.

MR. ECHOLS: Okay. You will trust us. We will change that and we will send it to the printers.

We discussed in the previous meeting the imperative need that the real public relations job be done in educating people on this new retirement system. Jerry, however, comes today to the meeting and indicates there is even a broader requirement to educate people on the comparative benefit provisions of the two retirement systems and he has given me this piece of paper which I'd like to read into the record: "Through inquiry directed to a number of senior officers it is reasonable to conclude that many of our personnel are not sufficiently conversant with the provisions of the existing Civil Service retirement system, let alone the new CIA retirement system. Certainly they cannot know how the systems relate to each other. I would suggest therefore that a discursive pamphlet on the entire subject be prepared ~~and~~ and distributed at the time the CIA system is tendered. One aspect should be given special attention and that is the fact that involuntary separations are the prerogative of the Director, entirely separate and apart from retirement annuity separations, allowances and other benefits \_\_\_\_\_ should be emphasized is not effected one way or another by the addition of the new system. This paper should not be ~~couched~~ couched in legal or governmental terms but should be written in such fluent style that it will be read and understood by those who cannot be afforded concrete oral briefing. " I certainly endorse this in concept. I think you all know there is a real educational job to be done here.

25X1A9a

[REDACTED] A chart attached to the \_\_\_\_\_ report would be useful.

MR. ECHOLS: For comparison?

25X1A9a

[REDACTED] Comparison or across the board.

MR. ECHOLS: This certainly is going to be a difficult task. I hope we can find the writing talent in the Agency to make this a really readable product. This I would consider one of our major immediate tasks to do and of course we will bring it up at future meetings for your consideration and you may want to - probably will want to take it back to your components to test it out on people.

The next item in this category is a tentative transmittal letter to the head of career service which we hope would get things started on the task of screening their initial group of possible eligibles and although all the ground rules have not been developed yet we are still doing this today I don't think we can hold off this process or should not hold off until we have solved every question but we can supplement this transmittal letter with additional pieces of paper and ground rules that we discussed today and perhaps will conclude today. I would like to read this over to see if it gives the proper feel and is effective.

. . . . The Board read "Identification of Employees for Nomination as Participants in the CIA Retirement and Disability System". . . .

25X1A9a [REDACTED] I have a question. Do you have Bob Fuchs and company lined up to supply the information which will be required which could be supplied only by Finance officers. In that category of question --

MR. ECHOLS: Here is Mr. Fuchs' representative [REDACTED] Indicating [REDACTED] 7A9a

25X1A9a [REDACTED] -- where we have to really go in and look at the accountings in order to determine the date of overseas service.

MR. ECHOLS: I'm sure they are prepared where necessary to help dig through records and verify periods of TDY or things like that which we hope will only be necessary in a minor number of cases.

25X1A9a [REDACTED] This may require a little research but we would be willing to undertake this on a case by case basis. I say a little research because some of the case files on people who have been overseas have been sent to Records Center. It may be necessary to recall these to extract the data to give to you and this could be done.

MR. ECHOLS: Hopefully there will be damn few of these. Are there any comments on this letter?

25X1A9a [REDACTED] I have one. It sounds awfully good. Incidentally, have we agreed that this statement we made about the 60 and 62 years old would somehow be cranked into here for guidance?

MR. ECHOLS: Yes.

25X1A9a [REDACTED] The second thing that dawns on me, looking at the admin people trying to do the job, is the wording here which sort of emphasizes overseas service for qualifying service and I'm wondering if we don't need a little more help there. I believe you have said we might get a statement such as at this point in time any service outside the continental limits of the 48 states. It might be this will answer that Hawaii and Alaska. Then I'm wondering if you don't need something, and I realize we don't want to face up to it right now, and that is other service not outside the continental limits when in the opinion of the career service head is within the meaning of qualifying service and maybe list for final adjudication by the Board. If there was some way to get this on the road because they are going to come running to me and say, "What do we do about this fellow who \_\_\_\_\_. It's going to be mostly blacks or whites but there is going to be some gray and the only way I know is to list it and say, "We think it's qualifying service."

MR. ECHOLS: The question is, do we need to get it in the letter. We can't cover everything. We don't know all the answers but we can't cover everything. I think you are talking about the man with two tours abroad. There are two ways of handling this. Your people could go to him and say, "Our record shows you have been abroad 48 months. Do you ~~also~~ have other periods of service which haven't been recorded -- qualifying service?" and let him try to supply the data, or you could just redline this man. The records as far as we know shows two tours -- not qualified -- and then we would notify him that he has not been designated. That should trigger off in him the reaction that "I have got more service than that," and let him do the dirty work.

MR. BOREL: It's going back and forth just a couple more sentences. In paragraph 5 you could throw in the fact \_\_\_\_\_ already signed some kind of certificate and you have to sign another one.

25X1A9a [REDACTED] I'd like to pursue this one once more. I don't think you have gotten my point. There is also a statement on the nature of a man's work which isn't very salable on the public market. You get the extreme cases where maybe a TSD fellow who has done nothing but [REDACTED] for 15 years or an ammunition handler. I think sooner or later we are going to make some judgments on certain types of people. Approved For Release 2001/07/12 : CIA-RDP78-03092A000100040011-2

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law and I know of no other way .

25X1A9a [REDACTED] I would prefer, frankly, to come back to the point we were discussing that at that time we only consider overseas qualifying service that we do not ask for without providing some guidelines to career service heads that we do not ask for any other type of qualifying service at this point.

MR. ECHOLS: I would like to urge that we go by that rule too. Not that we ~~wax~~ would refuse to consider a specific case if time was a matter of urgency.

25X1A9a [REDACTED] Fine then all I'd say I'd so ~~wax~~ word it for the purpose at this time we want to consider only overseas service. I'm not fighting for a point, only for clarity in preparing this.

MR. ECHOLS: But I think we should simultaneously indicate our willingness to receive another case if there is an urgent time factor. A man may be wishing to retire right today and not next week or next month. He may have another job he has got to take and get this settled.

Are there any other suggestions for the transmittal letter and initial instruction?

25X1A9a [REDACTED] Paragraph 5 I assume we will discuss under the next subject in terms of this option business rather than approaching it here. In other words, there is a question here of asking the man to sign these things. Would you just let it go at that and see what happens?

MR. ECHOLS: I would like to ask a question. Is there an agreement that we should go to the career service through their normal channels with these initial rosters at the earliest possible time so they can start working? Any objections?

25X1A9a [REDACTED] I would like in compiling it -- you don't particularly have to change it ~~xx~~ again -- but I'd like to extend it. That is, people who have become 50 in these three months I assume we will ~~add~~ add on. We wouldn't be limited to your roster only. You are looking for people 50 years old.

MR. ECHOLS: We are having a little trouble getting these rosters out of our dearly beloved Office of Machine Records. Have you any idea how long?

25X1A9a [REDACTED] This is only programmed. It's only a matter of pushing buttons. I think by the time we get the forms printed we can have a supplemental roster of those who became 50.

MR. ECHOLS: I think the point was made shouldn't we shoot for age 49 and pick up all those. I think if we can do it we should do it.

25X1A9a [REDACTED] In reply to you, Harry, I have checked with the computer people indicating that you ~~and your former people~~ in your compilation had gone ahead and they said that might be well but they have to stick to some basic premise to work on and that basic premise was the date of birth furnished them and if you try to get into --

MR. ECHOLS: The initial roster should go back a year.

25X1A9a [REDACTED] We have gotten a roster of people 50 years old. Let's get a supplemental roster of 49 year olds.

MR. ECHOLS: And use the same date of birth.

This next matter is on the service agreement. In our initial contemplation of this service agreement as a requirement not of a statute but a requirement that ~~was~~ we were induced to volunteer in a last minute effort to sell or program because of skepticism that the wrong people might ~~get~~ into this program. It's now in the regulation and there is no question but that we must live with it. Our initial view was that perhaps this ought to be patterned somewhat after the Career Staff agreement and there were objections to that and I think valid ones. I think ~~we~~ all remember there was a certain amount of ~~a~~ cynicism on the part of a portion of our population at that time and to pattern this agreement after that you rekindle those old fires. I think, Jim, you suggested we stick as closely to the specific requirements of the regulation as possible and I think there is a great deal of merit to that. This new version has been patterned after this last concept and even cites the regulation and it makes it quite clear that this is an essential item that an individual must sign if he wants to be in this system.

25X1A9a [REDACTED] It's much better -- much more honest.  
[REDACTED] Is this required regardless of whether he may already have completed 15 years service as being qualified or whether he may be ~~in~~ in the special category now eligible for retirement and only waiting to see which system they go out under.

MR. ECHOLS: In my opinion a man to become a participant in this system must sign. He may have his fingers crossed but he must sign it. Is that correct, John?

25X1A9a [REDACTED] Well, yes. It's hard to say under a particular situation -



a full understanding all the way around. ~~He~~ If he signed the previous career service agreement the language is in there and you could use it if you need it.

MR. ECHOLS: I was going to bring up at this point I can't conceive of a case but it might be that a man is inaccessible at the moment and we do have in his record a previous agreement which meets this standard and without getting a piece of paper from him and relying on the existence of this other document he could be designated. Would you agree with that?

25X1A9a

[REDACTED] That was my point.

[REDACTED] Certainly particularly in the case like we are talking about where these men want to retire under this system. I think you would have to be careful if this was another type -- someone who wouldn't want to get in the system. I didn't think you could use that.

MR. ECHOLS: Do you want to defer final decision on this? Do you want to look it over?

MR. WARFIELD: I would like to say a few words again about the fact of somebody knowing they are physically ineligible to comply with this. What happens to their agreement? Do they go ahead and sign it?

MR. I see no objection whatsoever to this. Its one premise could be that no one knows what ones helath is going to be a year from now or two years from now.

MR. WARFIELD: When you know right now you have got a heart condition and the medics would not approve you. You have 7 years of service and 5 are qualifying so you would consider this?

MR. ECHOLS: I don't know. The medics could a month from now change their standards or he could improve sufficiently to remove the bar. I think this is a matter of the individual's willingness to do what the Agency asks of him, what we are compelled to ask of him and the fact of a physical impediment I don't think belies his willingness within the meaning here.

25X1A9a

[REDACTED] He declared his intent to comply.

MR. WARFIELD: Some people have the problem of wondering if they really signed this in good faith when they know this is not true.

MR. ECHOLS: These people will have questions they are going to bring to the career service and say, "Howabout this?" and they should be counseled and I

think the problems will disappear.

25X1A9a

[REDACTED] I think this establishes the willingness of the individual.

Whether he is disqualified from other points of view is an Agency matter and I would see no inconsistency regardless of as to whether he was qualified physically.

He has established his willingness if the Agency chooses to send him.

25X1A9a

[REDACTED] I don't think you can legislate against that. I know

we have a few people who will sign it and say, "The day you take me up on it

I quit," but ~~the~~ in the meantime he signs it.

25X1A9a

[REDACTED] That has given me trouble.

25X1A9a

[REDACTED] It's given me trouble -- this whole thing. The

original ~~thought~~ thought that you do this with a young officer when he has been in the service 3 years and so on. That is a fairly serious moment. He has now been in the Agency a while and maybe he has done a little time overseas. He knows what kind of work we are doing and this should be a very conscious step in his career and not a bureaucratic instance. There should be a greater meaning to it and the next time you do this with him is at the 15 ~~year~~ year time. It seems to me at the time you pull this out of his file and say, "We want to renegotiate this with you at this point," "We want to renew this in terms of ~~our~~ your demonstrated health, professional qualifications, your wife's demonstrated ability to live abroad, and so on," and if we do not sort of keep this in that I think it will lose meaning. The value of the currency will be depressed very rapidly as our other service agreement was, so I think we must put considerably more thought precisely as to how and when we are going to use this in connection with this system.

MR. ECHOLS: That is, I am sure, very sound. There is a long range utilization of this and its proper place in the development of a young officer. There's no question about that. Then we have the practical problem of trying to implement our immediate program. I think that we could, that our immediate use of something of this form or something like it in order to get people into this system but not in any way preclude your career service collectively or separately from developing a more elaborate or more significant document from the career officer point of view which would nonetheless meet the requirements of the retirement system. Is that fair enough?

25X1A9a [REDACTED] I would ~~xxx~~ propose we at least examine the possibility in those cases where we are blanketing older officers in just to give them an opportunity to retire under this system and where there is no honest intent on our part or on the individual's part to really make himself available. He just puts "unwilling" or "unable". It would be much better if we could leave the old service agreement that is in the file take care of the legal requirements and use this one only as befits down into the officers who are under 15 years of service or who are being renegotiated at the end of 15 years service so that we keep this rather pure as a concept. The idea of this being sent up to a man in Maine sort of makes a mockery of it. This is what we must avoid if we are going to have this meaningful.

MR. ECHOLS: The old documents will have to be pulled out of the file somewhere.

MR. BOREL: Didn't you say we have not used that for sometime? Some people have one and some do not.

MR. ECHOLD: I think that will be the case.

25X1A9a [REDACTED] I think we used it until 1958, so for the people clearing right now most of them should have signed.

MR. ECHOLS: It would have to be someone who came aboard after 1958 and nonetheless well along in their Government career and since 1958 served 5 years or more overseas with us. We would have no choice but to use it.

25X1A9a [REDACTED] A few isolated cases shouldn't make any difference. Just so we don't use this as a blanket attachment for this large group of officers who have over 15 years of service.

MR. ECHOLS: I don't see any objection to this, do you John?

25X1A9a [REDACTED] No.

MR. ECHOLS: I see your ~~psychology~~ psychological benefits.

25X1A9a [REDACTED] Can we use the other one?  
[REDACTED] I think you can.

MR. ECHOLS: ~~Ok~~ Okay.

25X1A9a [REDACTED] The working of the bill can't contemplate the situation where the man signs one day --

MR. ECHOLS: The Board desires to use the old career staff certificate service obligation wherever possible and to reserve this new certificate for cases where there is no career staff certificate or for all new --

25X1A9a [REDACTED] 15 and under.

25X1A9a [REDACTED] In other words, not use it in cases where a man is clearly qualified now by virtue of 15 years service and five years of qualified service.

MR. ECHOLS: If we have it.

25X1A9a [REDACTED] There is no reason why a person couldn't sign the old one now and reserve this one exclusively. You could rerun some of the old ones as far as that's concerned if it were not available in a man's file.

MR. BOREL: What would you gain by that? \_\_\_ have to sign the old one is not really going to draw any distinction between this and the other one.

25X1A9a [REDACTED] Isn't that the individual that we are thinking about. It's the body of the people who should ~~be~~ not only intend to go overseas but are ready, willing and able to go overseas which I think we want to read into the negotiations.

25X1A9a [REDACTED] Isn't there a possible problem here in terms of maybe updating the thing and having the man - what I am thinking of is the man has signed one of these 7 or 8 years ago and now for one reason or another he doesn't really want to sign this and we use it as he had signed it sometime back and sent it through and announce to him, "You are now a participant."

MR. ECHOLS: If a man considers becoming a participant adverse determination he of course is going to appeal and he can say "That service agreement that you use is one I signed 12 years ago and I have since changed my mind." I would say that by such an act he would in fact be disqualifying himself from being a participant so we are not really depriving him of the right to say, "I won't be in the system ~~because~~ because I won't sign the agreement."

25X1A9a [REDACTED] If we are going to discuss that whole subject under paragraph 5 we can wait but I think it's tied in.

MR. ECHOLS: Okay, let's do that because this is the next item. This critical question comes up again and again. Is the employee to have an option to be designated or not be designated in the participation. At the risk of being dogmatic I'd like to speak to this. I think this is a question raised by the Board and one that you should discuss possibilities of once and for all \_\_\_\_\_. I previously expressed the view that I did not think designation or non-designation should be optional. I'd like to review the argument pro and con and see if we can't reach an agreement on this today. The arguments in support of the no option view are these: First I know of no other federal retirement system under which the option of coverage is given to the employee. The system under which any

employee is covered is determined automatically in Government by the nature of his employment, i.e., all non-temporary employees who are not covered by another system are covered by the Civil Service retirement system by law. Temporary employees are covered by Social Security and by law Foreign Service Officers are covered by Foreign Service system with no option and so on. So, since there is no precedent for an individual deciding which retirement system he wants to be under I think it's somewhat illogical to even consider that such might have been the intent of Congress with respect to this retirement system.

Secondly, the Agency sought the CIA retirement system to provide appropriate benefit for a group of employees ~~xxx~~ for whom the Civil Service retirement system was deemed inappropriate. The Agency testified that the employees for whom this system was required could not be automatically identified as a class but must be identified as individuals on the basis of their service -- actual or prospective/throughout their careers. The Agency expects problems which required this individual approach were recognized by Congress, consequently the CIA retirement disability action authorized the Director to determine which employees shall be designated participants rather than by a pre-identified class of people to be under one system or another. So I think this argues too that the designation is by the Director and not an offer of one of two plans to an employee.

Thirdly, the Agency sought this system as a management tool. We testified that we must be in a position to manage our attrition to the extent ~~that~~ *if* this ~~were~~ <sup>was</sup> necessary, and it's inconceivable to me that the regulation implementing this management tool should give the choice to the individual as to whether or not he was to be subject to this management tool.

Lastly I think the concern of Congress regarding participation is clearly reflected in legislative history was focused on the Agency~~s~~ given the improved benefits of this system only to those who deserved it and Congress was concerned with insuring people not deserving these benefits wouldn't get them. There is no record of any question even being raised as to whether the designation of participants was a matter of option with the employee. So this is the case as I set forth saying there is no intent - we should not and we must not allow the employee to have the option of deciding whether or not he wants to be under this system ~~and the xxx~~

The argument in support of the option I think are these: That the

Senate Armed Services Committee made us incorporate a requirement, and they mention<sup>in</sup> the admin section of the report, that one of the requirements of the qualifying as a participant was the employee sign a "written understanding" obligating himself to the required conditions of service. The Senate thus intended on \_\_\_\_\_ with the employee the option of including himself at least by refusing to sign such an agreement and this fact at least this option still remains in the regulation as worded in our plans for implementation because the man who refuses to sign could be simply disqualified from eligibility to be made a participant, so this bit of an option which seemed to be supported by the Armed Services Committee report is still left in ~~it~~ the administrative mechanism of the regulation.

In addition, it has been indicated that employee resistance to the system is so strong that there would be a psychological advantage to offering an option. It has also been pointed out some persons fear the system is an up-holstered 701, and so on. These perhaps are strong arguments for giving the employee an option. Presumably with an option the boogy man ~~appears~~ tends to diminish but I don't think this offsets the compelling arguments that this is not <sup>an</sup> and should not be/optional system.

Now are there any other views or contrary views or are we all in agreement. I hope that this system itself is not one we care to offer a choice of two plans to the employee. I don't think we can. I don't think we should. I think it would be most politically unwise, if not dangerous were we to do so, assuming it's legally permissible.

25X1A9a

What is the consequences if a person declines to join? Is he out of the Agency, or what?

MR. ECHOLS: In my opinion the employee who says "I won't sign this agreement" <sup>is</sup> and thereby exercises his option to stay out of this system/at the very least serving notice to the Agency that he does not subscribe to the Agency's philosophy, that it may be necessary for the Agency to manage \_\_\_\_\_ or he does not subscribe to the moral obligation of permitting the Agency telling him when and where he is going to serve. This is not grounds for expulsion, per se but it certainly would influence the Agency in its career use of the man. I think it might logically transfer from the career field to some other field of work where it is not a requirement and certainly, in the long run if there were a need to manage attrition one way or another my recommendation would be that he would be among the first to go from such a career field because he is most



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CIA RETIREMENT BOARD MTG.  
1 April 1965

(After 10 minute break) 3:30 - 4:30 P.M.

MR. ECHOLS: Now I come to the sticky one, and I'm going to read a prepared statement this time. (Reading) Question 2: Option of a participant to remain or not remain a participant. The second half of our options question is not as easily answered as the first . . . . (reading) . . . .

If we asked for and got a legal interpretation of the regulation we're going to be stuck with it.

Now, the specific proposal I would like to offer for your consideration is this: that the option at the 15th year is a one way choice -- if the participant opts for the vested right to remain, the Director thereafter cannot remove him from the system. Option at time of retirement: If at the time a man is scheduled for retirement we see or he sees that he would get a larger annuity under Civil Service than under the CIA system, we permit him to apply to be taken out of the CIA system and placed under the Civil Service system in order to obtain the larger annuity. I think the main problem on this latter point is that of recognizing whether an individual is under the CIA Act or the Civil Service does not determine his tenure in the Agency. If he is among those employees for whom the CIA Act is designed, his retirement covers his benefits upon retirement but not his tenure. And if this point can be established in our propaganda, I don't think this 15 year option point would be of any material concern, and I think we could proceed upon this premise.

25X1A9a [REDACTED] One point. You very carefully worded it that he could elect at the time of retirement to file for retirement under Civil Service. I would guess -- I'm not sure -- that if a man has put contributions in for 10 years into this retirement system, making his contribution - Agency contributions into the fund,

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that Civil Service would be very reluctant to take him back with only that portion of the fund that he contributed to. This would seem like a very unsound business venture for the Civil Service. I'm wondering if we wouldn't be leading people down the garden path to even indicate they would do so.

MR. ECHOLS: I don't believe Civil Service would have any choice in the matter. And moreover -- and I may be wrong on this -- I think [REDACTED] to transfer funds from the CIA fund to Civil Service draws both the individual's contributions and the government's --

25X1A9a [REDACTED] No, it's either way--

MR. ECHOLS: By and large, Civil Service is going to get the [REDACTED] best of this, no matter how you slice it.

25X1A9a [REDACTED] Mr. Chairman, as I understand your position now it's a direct reversal of the one you expressed last week.

MR. ECHOLS: Well, it is consistent with my basic belief and understanding that this retirement system was basically defended, basically presented, as a necessary manpower management tool to be used if and to the extent necessary, and I think with this understanding as to what I believe to be basic, that the only inconsistent application is to make initial designation not optional unless the man chose to say, "I do not accept the conditions of service", and to not make it optional for him to get out just because he wishes out.

25X1A9a [REDACTED] I would agree with your original interpretation a non-arbitrary, and the one you repeated today on participation being/ [REDACTED] non-optional step for the employee, but I think we defeat the whole purpose of the Act if we do not give both the Agency and the individual a chance to reappraise this relationship at the end of 15 years of service.

MR. ECHOLS: Would you care to give us an explanation of why you think this, Jim?

25X1A9a [REDACTED] In this connection I would propose that the service agreement might be extended beyond that you drafted, and instead of

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referring to our own regulation refer to Public Law 88643 of the 88th Congress, which states that in order to qualify for participation in the CIA Retirement [REDACTED] and Disability System an employee must have signed a written obligation to serve anywhere and at any time -- and this is a change: in support of Agency activities abroad hazardous to life or health or so specialized because of security requirements as to be clearly distinguishable from normal government employment. And the rest could remain approximately as it is.

Now if we are to consider this language meaning what it says, there must on both the Agency's part and the individual's [REDACTED] be a judgment made as to the individual's willingness and ability to perform this kind of duty. And in many instances individuals who had 15 years of service have indeed been found by the Agency not to really be qualified, quite aside from problems of health and domestic incompatibility, for this kind of life. And this to me is one of the most important features of this Act, that we do have this second negotiation with the individual as to his usefulness for this kind of service. I would not argue that there should be any flexibility beyond this point, however, and that the decisions by the Agency after that could be quite arbitrary and without [REDACTED] respect to the individual's choice.

MR. ECHOLS: Well, I certainly agree with you, Jim, and I think the regulations quite clearly contemplate this.

MR. BOREL: How does this differ from Eck's point?

[REDACTED]

25X1A9a

[REDACTED] His statement which he read very carefully, as I understood it said the election is a one way road -- he may elect to participate but he may not elect to not participate. Isn't that what you said, Emmett?

MR. ECHOLS: Right.

25X1A9a

[REDACTED] Last week -- in paragraph 5 of the minutes -- he commented concerning the election that a participant could make upon the completion of 15 years of service with the Agency to remain a participant in the system. He stated it was his opinion that if you have an election you must have a

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choice between at least two things, not just one. So the election, in his opinion, would be to remain in the system or to be returned to the Civil Service system. He expressed doubt, however, whether a participant would ever elect to leave the system unless--" Today his much [REDACTED] lengthier statement added up to: this is not the case -- there is not a choice of two things involved here.

25X1A9a [REDACTED] May I say something on this point? I have studied this pretty thoroughly, and I am convinced, Emmett, that as a reasonable interpretation of the language of the statute there was some specific conversation backing up what was contemplated, and that a fair interpretation is that the individual has the election to opt out prior to the 15th year.

MR. ECHOLS: At the 15th year.

25X1A9a [REDACTED] Mr. Chairman, let me read to you what [REDACTED] brought this about. This was the thinking of the Congressmen when this was

25X1A9a discussed -- the precise point that [REDACTED] is referring to. They had just had read to them that specific section of the Act that said "he shall remain". Now this was written in by, I take it, our people after this point was raised by Congress, when Congress said this man should have a vested interest at some time, you see, so that the Director cannot throw him [REDACTED] out. So to provide for that the next morning it had been written in that "he shall remain." Now the minute this was read this is the [REDACTED] statement that was made by Mr. Blandford in the executive record, which was later taken out of the executive record -- it wasn't in the papers that you passed out to us -- but I can understand why it was taken out, because Blandford was just the counsel for the Committee. But [REDACTED] everything that transpired after that was based on this statement: "Blandford said, may I suggest at this point the possibility of the words "shall at his election remain a participant for the duration of his employment by the Agency." I merely want to raise the point -- [REDACTED] maybe just talking out loud at this moment -- I am not sure in my own mind what I am trying to say, but it seems to me you might have an individual put in this system, which will then subject him to forced attrition, who might at this point be in the Agency on a career basis as a Civil Service employee."

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Now that statement was all stricken out when you gave us the record -- and then this is what led up to the discussion about let's give the man an election as to whether he wishes to stay in or not stay in, because he might have a right under some other Act so that it would be to his advantage to elect to retire under that other Act.

MR. ECHOLS: Doesn't Blandford have in mind there the man who at the 15th year had opted to go into this system, and he might subsequently have made a career shift and let's say was now working in OCI and had no longer contemplated serving in an overseas intelligence activity, and having opted to be in that system he would still be subject to the age 60 compulsory retirement unless extended--

25X1A9a [REDACTED] I don't think so.

MR. ECHOLS: He does refer specifically to the Civil Service--

25X1A9a [REDACTED] He says he might have a career under Civil Service if he would prefer to be under-- And he specifically had these words in: "to be forced to stay under this Act would subject him to forced attrition" -- which is exactly what the Director would have if he were forced to be a participant under this Act, if he had the 15 and 5.

MR. ECHOLS: I think you would be the first to agree that if a man remained in one of these career fields which has the need to manage its attrition, so long as he remained in such a career field he should be subject to the managed attrition concept. But if he has moved out of such a career field and is no longer in such a career field, but, rather, a normal Agency type of job, there no longer is a reason why he should be subject to the managed attrition provisions of this retirement system.

25X1A9a [REDACTED] I don't read that into it. I read into this the fact that they were trying to make certain that this man would have a vested interest and the Director could not oust him out of the system. So when you work in the word "shall" -- he said let's not go so far to insist the man stay - if he wanted to get out he [REDACTED] should have the right to get out -- only when they have the 15 and 5.

MR. ECHOLS: This is contradictory to the entire presentation that

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was made. It isn't until the man has 15 or more years of service that he even begins to become a problem to us, in terms of all of our justifications -- we can't find cover for these people overseas -- every argumentation that we gave -- these things don't even begin to appear until a man has 15 or more years of service -- and then this is the time you want to negate them? I think that is illogical.

25X1A9a [REDACTED] --this is beginning to creep back into the viewpoint -- this is the destructive view -- if you don't give us the opportunity to renegotiate with the man. Many of our officers have health problems -- I have at least six people in Divisions in Headquarters -- but they are really quite capable of doing a Civil Service job in the Agency.

25X1A9a [REDACTED] I would like to add to what Jim has said that there is no doubt that Congress wanted to give the Director a management tool, but the Congress also spent an awful lot of time trying to cut down his discretion, thinking in terms of rights that would accrue to an individual under this. You will remember how much time they spent, for fear everybody would want to get in under this very lovely system. Well, as a matter of fact there are a lot of people who don't want to be under it. So I don't think you can say that the only reason this Act was passed was to give the Director a management tool to get rid of people because he couldn't get cover for them--

MR. ECHOLS: That was a major, if not THE major--

25X1A9a [REDACTED] There were a lot of reasons for this Act, and one was to give employees some benefits who spent a lot of hard years overseas worrying about a lot of things, but it doesn't say just because of that we're going to give him certain benefits and then take something away from him and force him to go out at 60 if the man has a chance to stay on to 62.

MR. ECHOLS: This is where we are at odds. I am now convinced -- and you just convinced me 30 seconds ago -- that if after a man has acquired a vested interest in this program, if he should make a major career shift within CIA and is no longer engaged in the type of activity calling for overseas service, no longer calling for the availability of an attritional mechanism, that he should have

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the option of getting out of this system and going into a system that is appropriate for his new field of work.

25X1A9a

Two questions. Do you agree that there are people in the Clandestine Services whose career work is not in this system? That is a very key question -- because our belief is that we have a certain percentage of positions in the Clandestine Services which can be filled by people on a career basis who cannot sign this thing, and we would like to deny the individual who when he has 15 years' service and cannot really sign this thing again, we would like to deny him the opportunity to remain in this fine system.

MR. ECHOLS: Well, let's try this for size. I certainly must admit that there are vocational specialties in the Clandestine Services which would not require a knowledge of, or a background in, or ability to go overseas. You can staff these activities, these programs, and so on, with people who have no intention of serving overseas, who will not subscribe to the conditions of service that you're going to apply to your overseas groups, and that they would not be eligible for this retirement system. I concede an officer coming back after 15 years in the overseas clandestine intelligence business, perhaps with a health problem -- maybe not his own health, but his wife's health, or his children -- who is no longer willing to go overseas, and it would be an imposition to expect him to go overseas anymore. Now he is perfectly competent - indeed highly competent, perhaps, to handle one of these jobs we were just talking about - in RI or someplace. So he is put into this job, and doing a splendid job. When he reaches age 60 if he is still part of this retirement system he would be subject to its compulsory retirement provisions -- and the only way you could keep him on would be to have the Director extend him. Is this fair, you say -- should he not be transferred back to the Civil Service retirement system and be exempt from this compulsory retirement at the age of 60. And my answer to that is this. We presented quite clearly that this is the normal procedure for the handling of people who have outlived their overseas usefulness -- retraining, retreading, reassignment to fields of work in the Agency that do not require such service. We also pointed out that we cannot run the risk of

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accumulating at Headquarters so many people who are unable to serve overseas, who are unable to fulfill their service requirements, that we constipate this element in the Agency and it's inoperative.

25X1A9a [REDACTED] Don't we already have a policy of retirement at 60? This isn't--

MR. ECHOLS: With 30 years of service. And the thing we wanted more than anything else was to be able to retire people, with reasonable benefits, earlier.

25X1A9a [REDACTED] That is again, admittedly, a big factor in this system, but I think, again, it's a minor one, considering the positive aspects this system can take on if you approach it from a positive point of view.

MR. ECHOLS: I would like to pose this question, John: if an individual who has a vested right in this retirement system says he is no longer willing -- he negates, if you will, his service agreement -- does this in any way have a post-investment impairment--

25X1A9a [REDACTED] At the 16th year--

MR. ECHOLS: At the 16th--

25X1A9a [REDACTED] I don't think so.

May I suggest this. I agree with you, when we went into the Bill we were looking for this management tool that would allow us to, in effect, get forced attrition. My own feeling is that we didn't get it. I think the wording that was put in there gives the man an election at 15 years. I further have a feeling that we are not going to solve it, and I'm afraid -- despite your desire to stay away from a legal ruling, that is what we have to ask for.

25X1A9a [REDACTED] It seemed strange to me after reading this that the only place Congress said this man shall have an election was when he had 15 years with the Agency -- not 15 years of service but 15 with the Agency, and five years of qualified service at that point -- that is clear in my mind -- it's the only place they give him an election. The only question in my mind is whether, if he makes

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the election at that moment and decides to go under Civil Service, whether you then apply all the Civil Service regulations to him, and that he can stay on until 62, or whether - if you say he doesn't make his election at that time then he loses his right to the election.

MR. ECHOLS: Well, at 62, of course, only if he has (28) or less years of service--

25X1A9a [REDACTED] I'm assuming everything else is--

MR. ECHOLS: Is the only issue here a matter of two years?

25X1A9a [REDACTED] No, it's an election or not an election.

25X1A9a [REDACTED] I want the man who comes in at age 22 and when he is 37 [REDACTED] we renegotiate our relationship whether I can really get him to go anyplace, at any time, and serve under these conditions, I want this to have validity in his 16th, 17th, and 18th year.

25X1A9a [REDACTED] I think if we adopt the proposal that the man also at the 15th year reaffirm his acceptance of these conditions, the question of whether it was meant to be a two-way choice or a one-way choice is academic, because we are going to look at him at the 15th year and decide whether we feel he is still qualified for the system -- but if we also ask him to reaffirm his acceptance of the conditions, and he refuses, then we can't in all conscience say he is still qualified.

25X1A9a [REDACTED] The Bill says the man elects--  
But we have to determine at the 15th year that he is still qualified to be in the system.

25X1A9a [REDACTED] Well, suppose you ask him at that point: Do you wish to make this election?

25X1A9a [REDACTED] If you ask him to sign the agreement again, in effect you are--

MR. ECHOLS: On page 4 of our regulation -- and this, I believe, also appeared in the law under Section 203 -- this is participant after 15 years of service -- it says: Any participant who has completed 15 years in the Agency and whose career

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at that time is adjudged by the Director of Personnel to be qualifying for the system may elect to remain as a participant. Now he doesn't have the bald option to elect -- he has to meet that further requirement at that time -- his career at that time has to be adjudged--

25X1A9a [REDACTED] We are assuming that--

MR. [REDACTED] ECHOLS: No, no. If at that time let's say his condition of health, if you will, or his condition of will to serve where, when, and as, has changed, and he is no longer willing, I would be forced to say - no, he is disqualified - because his career at that time is not adjudged to be qualifying -- he doesn't meet the requirements which are quite clearly stated--

25X1A9a [REDACTED] When you find that out, if you renegotiate--

25X1A9a [REDACTED] I'm not thinking so much of renegotiating determining whether he stays in the system for retirement purposes, but if I go through this negotiation with the individual and he says: I can't sign this -- you know my problems -- I've got a wife who is sick, etc. -- but I would like to stay on -- and I realize this takes me out of the highly competitive group described here, and my promotions are going to be slowed down, and I'm not going to have as interesting work, and I'm not going to have command positions in the Clandestine Services. There are all kinds of things we haven't even talked about here that apply to a man that you have in this category and do not apply to one who has sort of been read out of this elite group, if you want to consider it as that. And I keep returning to the ultimate objective of trying to create some kind of esprit out of this exercise rather than just get rid of our hump -- and I'm looking for every conceivable device to support this philosophy.

MR. ECHOLS: Getting rid of the hump is one thing but avoiding one was an even greater factor. But I agree you could say to this man: Joe, I recognize your personal problem, and we would be glad to keep you on -- there are certain things you are capable of doing -- we are delighted to have you, we need you. And he stays on. But he would know also, and should be told also, that although we are delighted to have you stay on, and keep doing a wonderful job, but should the

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day ever come when the Clandestine Services, for example, can't handle you and 100 or 200 or 300 like you, then we will have to retire you.

25X1A9a [REDACTED] That is all right.

MR. ECHOLS: But you can only do that if he is in the system.

25X1A9a [REDACTED] That is all right -- he can stay in the system --

I'm not saying we want to throw him out -- he may elect to -- and this is all right.

I think that is a disadvantage we can live with if the advantage is that we have a negotiation with him which permits me to get him thoroughly back on board committed to this. Under this interpretation an individual who does not sign this - he says, "All right, I won't sign that" -- under the provisions of the law he may stay in the system still, if he wants -- this is what it says -- and the Director may not disapprove this.

MR. ECHOLS: He may if his career is adjudged by you first to be not qualifying at that time, and you would come to me and say, "This man no longer qualifies."

25X1A9a [REDACTED] That is right.

MR. BOREL: Mr. Chairman, this 15th year is a critical point, obviously, and the negotiations that Jim talks about take place before his 15th year, because this vouchsafes to the individual a certain security that he may not be retired, or his retirement under the system may not be taken away. But it seems to me that it's clear that at 14 and a half years when you go through this drill if he doesn't qualify, and you foresee these problems, he is then removed from the system at a time when he does not have a vested right to stay, and he becomes a civil servant again, and he can work, just as Jim has said, but he does not stay in the system. When you come to the 15 years you have to indicate he is still qualified -- he is still willing to go. If after 15 years something happens and he can't perform, you can't take him out of the system -- he has earned his right to be retired under it.

25X1A9a [REDACTED] That is right -- that is exactly what I mean.

MR. ECHOLS: That is exactly the way I interpret it.

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MR. BOREL: So I don't see any difference in what you're trying to say.

All this business about the Congressman -- which I read with great care, also -- was precisely to safeguard a vested right to the individual after he has invested 15 years of his service under the system.

MR. ECHOLS: Your renegotiation with the individual is not only permissible but, as I see it, is required at that time in that man's career.

25X1A9a [REDACTED] You are not using the same reasons for each conclusion here, though. Jim has reached the conclusion, based on reasons which are somewhat similar to yours, that the man has an election out.

MR. BOREL: Jim said something [REDACTED] about the man staying in the system. I don't think that is permissible.

MR. ECHOLS: The man has an election out by the simple fact of disqualifying himself, if you want to look at it that way.

25X1A9a [REDACTED] He may elect out without disqualifying himself, just by saying, "I want out."

MR. ECHOLS: And frankly, I'd let him out.

25X1A9a [REDACTED] Then does he go get under Civil Service completely, and can he stay on until 62?

25X1A9a [REDACTED] that stays our policy, yes.

[REDACTED] And if he doesn't get let out by the Director at 60--

25X1A9a [REDACTED] He has that authority under some other Act -- the Act of 1947, or whatever it is -- but he doesn't have it under this Act.

MR. ECHOLS: I see a great psychological difference, frankly, between a man who disqualifies himself from further participation in the system, and the man who is given an option - "Flip a coin - which system do you want to take for the next two years, or whatever might be involved here."

25X1A9a [REDACTED] I think, too, Emmett, and I dearly wish we had kept the words "will remain", and then he wouldn't have had an option, but we could have done it by mutual agreement. But the fact is that Congress put in the words "he shall elect."

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MR. ECHOLS: Well, now you say -- do you want to make a legal interpretation that the use of the words "shall elect" gives the individual the election to remain in or elect to--

25X1A9a [REDACTED] If you push me into this corner, this is what we're going to say.

MR. BOREL: Do all this before the 15th year comes up.

25X1A9a [REDACTED] It was true up to the point you brought it. First of all, if the man--

MR. BOREL: If you have an option . . . . . (inaudible) . . . .

But at 14 years and 6 months you can--

25X1A9a [REDACTED]: But now we're talking about the option on the man's part -- when he hits 15 years, 5 qualifying, and if Jim is perfectly willing to have him, he can elect to say: I want Civil Service--

MR. BOREL: . . . . . (inaudible) . . . . .

25X1A9a [REDACTED] That is the question.

[REDACTED]: At the end of 15 years he is still in a qualifying career, he's got his 15 and 5 -- may he elect at this point to remain under the system or may he go back to Civil Service -- that is the big question here.

25X1A9a [REDACTED] The very group that I think we should look to to eliminate is the group who at the end of 15 years say: "Not me -- I want to get out of these commitments here - hazardous duty any place, any time -- I just can't take anymore of it." So we say, "Fine -- you go into the Civil Service group here." But you know that's the group that the excess population is going to accrue in, and if there is going to be a riff around here, that is the group that it's going to hit. Now this is the way to run this so that you keep people at work and motivated -- not threatening your reduction in force at the group who continue to sign this and continue to live by this code.

MR. ECHOLS: You would like to aim your RIF at those who have stepped out - who have opted out?

25X1A9a [REDACTED] Even if they don 't get out with as favorable benefits.

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MR. ECHOLS: And I would, too. Obviously, I think, these are the ones who should try to get placed elsewhere, or should themselves go out.

I'm faced with this anomaly, John. This regulation says specifically: Any participant who has completed 15 years in the Agency and whose career at that time is adjudged, and so on. Now, on chronology, we look at the man at 12:01 on the first day of the 15th year, and his career, to be so adjudged, as of that moment has to include a continuation of his willingness to serve here, there, and elsewhere. So he attests, or somehow or other we confirm that he is still willing to do all these things -- he still accepts all of these conditions of employment. So I say, "Fine -- now you have the election to stay in or you can elect to get out." And he says, "I elect out." Or let's say he says, "I elect to stay in", and then the very next day he comes around and says, "I was only fooling -- and I won't go where you ask me to go." Nobody can touch him.

25X1A9a [REDACTED] You can fire him.

MR. ECHOLS: Well, it appears to me that the situation has resolved itself -- the first test case that came up. You have already advised us how you will rule. . . . . (inaudible) . . . . . seems ridiculous, right? Or would you like to think about this?

25X1A9a [REDACTED] I have done all the thinking I need to do. Is what you are saying that a man can be brought into the system involuntarily before 15 years, but at the 15 year point he may elect to get out of it?

MR. ECHOLS: This, I judge, is your opinion.

MR. WARFIELD: I can't understand anybody opting out.

25X1A9a [REDACTED] If he has had that combination of age and service where two more years would give him a greater pension under Civil Service -- that extra quarter of one percent -- two years of full salary more than he would get under the Agency system -- he might then prefer to get out.

MR. WARFIELD: But this 15th year mark in years to come is going to hit people at a very early age, and I don't think they're going to worry about--

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MR. ECHOLS: Personally, I think this is a theoretical problem, because it's particularly during these years from 50 to 60 where the absence of penalty in the event of separation is so critically valuable that any man who gives up that protection in my opinion is absolutely crazy -- but if you think they could do so, I think they should be advised what they are doing and know full well what they are doing.

25X1A9a [REDACTED] You are looking at it in terms of so much money. I keep looking at it in terms of the real problem of dealing with an individual I want to send overseas, and I want him to have a certain attitude, I want him to look upon himself as a certain type of person in the Agency right now, and I really believe that this will complicate management if we do not have this flexibility.

MR. ECHOLS: You want the man who opts out to identify himself by that act and for his future career to be governed accordingly -- you will use him, assign him, promote or not promote him, with this in mind.

25X1A9a [REDACTED] I have the chance to opt him out any time up to 15 years -- to anyone I can say, "You will return, PCS, the 17th of May." So the management has a lot of devices here they could use. I'm just trying to give the man one option so it will be something of a negotiation.

MR. ECHOLS: Well, I may want to write your office, John, for a formal ruling on this, because it is so critical -- and if there is no change in your opinion then we will immediately gear our position paper to the option to go in or out.

25X1A9a [REDACTED] Could we get an expression of the Board on this question of what would be more desirable?

MR. ECHOLS: Gerry?

25X1A9a [REDACTED] Well, I agree with [REDACTED] Jim in expressing my own position.

25X1A9a [REDACTED] I do, too. I do it based on what I think was the intent of Congress to give that man the right to elect to stay in, in which case he

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could not be affected adversely by the Director, or he has an election to go out under Civil Service.

MR. ECHOLS: This man of course can always be affected adversely by the Director by the simple use of 102(c).

25X1A9a [REDACTED] I'm not too sure I wouldn't have preferred the original wording of the bill which would have made the election ours rather than theirs. My feeling is the bill now gives the man the election.

25X1A9a [REDACTED] I'm in favor of a two-way option at 15 years.

MR. WARFIELD: I'm in favor of a two-way option providing it isn't going to be a bouncing back and forth. I think it has to be a fairly firm determination -- a one time thing.

25X1A9a [REDACTED] I do, too.

MR. ECHOLS: Okay, we will write it up accordingly. There was no argument on the desirability of giving a man a final option at the time of retirement to select the more beneficial system.

25X1A9a [REDACTED] I have a lot of trouble with that in terms of an option. In terms of now recognizing the situation and permitting him to go out, that is another matter -- but the question of an option really gives me a great deal of trouble -- because here is the critical thing - you serve notice on the man that you intend to involuntarily retire him next month because he opted out, and it seems to me this is rather inconsistent--

MR. ECHOLS: Well, there is no such contemplation--

25X1A9a [REDACTED] But this is the position, nevertheless, if you assert the right of an individual to opt out at the time of retirement.

MR. BOREL: The Foreign Service officer or the military officer certainly has that choice--

25X1A9a [REDACTED] He is ready to go out at 60, and he opts out--  
Now I'd like to preserve a little flexibility, because if that person at that particular stage of life can get a little better deal under Civil Service, I would like to see us have flexibility to accept his application to move out.

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I don't think he has the right to move--

25X1A9a [REDACTED] That was the wording - he could apply if he could get a better benefit. It's a matter of language.

25X1A9a [REDACTED] It's more than wording.

[REDACTED] The fellow who reaches age 60, and let's say he came in at 20 and he has 40 years of service, he knows and we know he will have a better annuity if he retires under Civil Service. So how do we word it to give him the opportunity to retire under Civil Service if he could do it with a better benefit.

25X1A9a [REDACTED] What you really want is permissive by mutual consent. I agree with permissive by mutual consent - that's all right.

MR. ECHOLS: We have the case of many military officers who come to the Agency as civilians, spend five years here, or something like that, and they may elect to convert all of their military service to civilian retirement if it's to their advantage to do so. I think that was the intention of Congress, to make this possible if it was to the man's benefit.

25X1A9a [REDACTED] But again, Emmett, if you assert the man has the right to opt out of the system minus the Agency's approval, this is quite a different situation than permitting him to do it.

MR. ECHOLS: I quite agree with you -- it's something he should be able to apply for and be granted, I think. The law is silent on the point that it is permissive or that this possibility should be provided for. I think we can do that.

↳ A little silly, minor question is the eligibility of career agents to be participants, and without going into any long discussion on this I would simply propose that career agents appear, in terms of intent and technically, to qualify -- and logically I think they should qualify. Their conditions of service, even more than career employees, involve living under cover and that sort of thing, and impositions on their private life, and certainly involve much overseas service, and they're career employees, which is a requirement, and I would merely propose that they be eligible for consideration under this retirement system.

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[REDACTED] I don't disagree with you, but I'd like to defer this question for about 60 days. In other words, the thing that is going through my mind is the fact that the criteria and the qualifications for career agent are really not firm enough to graft this onto it at the moment. I think at some future date we will want to graft it onto it, but I think we have to do some work with our [REDACTED] criteria first.

MR. ECHOLS: Can we accept this as a motion that any decision on this be deferred for 60 days? Any objection (no response.)

. . . . This motion was then seconded and passed . . . .

MR. ECHOLS: Item 7 on the agenda: Approvals required for changes in draft regulation. This was a question that came up, and I think we should discuss it, at the third meeting of the CIA Retirement Board, 23 March . . . . (reading) . . . . to change the draft regulation [REDACTED] prior to 25X1A authentication by the Director of Central Intelligence . . . . etc., etc., etc. . . . a regulation which deviated in any way from the precise language approved by all of the preceding external reviewing authorities.

We have discussed this with our legal adviser, who tells us that for technical reasons we cannot change the regulation at all at this moment. The technical reasons are simply that the regulation is still [REDACTED] under study by the ranking minority members - Senator Saltonstall of the Armed Services Committee, and that we cannot make changes halfway through the course of approval of these regulations -- that is required by law. However, supposing we complete this review and approval process by the BOB, the two committees, etc., the question is then could we make some clarifying changes before we present the regulations to the Director for his authentication -- and mind you, I said clarifying changes - something that is agreed not to be substantive in nature. I think that it would be most impolitic for us to present to the Director for his authentication a version of the regulations containing editorial changes which were not in the version that

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was given previous coordination and full study by the panel of attorneys, by the staff officers at BOB, by the congressional committee members -- and for us then to go to the Director with clarifying changes, I think would be not only damned embarrassing to a lot of people but I think we would run the serious risk of the Director wanting to send the whole thing back to the panel again.

MR. BOREL: Is this a moot question, or did somebody have some--

MR. ECHOLS: It was raised I thought quite seriously--

MR. WARFIELD: There are some damn big ambiguities in this that certainly need clarifying.

25X1A9a [REDACTED] I think I was perhaps the one who raised it, but after you expanded on the meaning of the word "normally", and "standards", and the flexible interpretation of the 15 year clause, I found it unnecessary to question the wording in the regulation anymore.

25X1A9a [REDACTED] I share Emmett's view of trying to change it at this point, even granted the possible ambiguities. Now it's possible that we will find more . . . . (inaudible) . . . in the first six months or a year, but . . . . (inaudible) . . . . frankly running some risk in trying to kick it off saying this was a different version . . . . . (inaudible) . . . . .

MR. WARFIELD: . . . . (inaudible) . . . . . flexible thing.

25X1A9a [REDACTED] I think we can have flexibility if we leave the regulation as is -- so I'm in favor of keeping it as is, for the reason I stated. It would seem to me that in the application of this thing in particular cases the Board itself can attain certain flexibility and the clarification that you mention. So I would therefore favor leaving it as is.

25X1A9a [REDACTED] Let's keep our (store) of interpretation fluid.

MR. ECHOLS: We will consider that a moot point, then, and drop it.

25X1A That winds up the agenda items other than the review of Regulation [REDACTED]

25X1A9a [REDACTED] Mr. Chairman, before you proceed to that would you agree to give further study to the text of the service agreement as proposed?

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MR. ECHOLS: Certainly. We will make some typed copies and circulate them, and consider changes.

25X1A9a [REDACTED] All right.

25X1A9a [REDACTED] Emmett, I hate to beat this thing to death, but I want to try once more. We have now apparently agreed that it should not be optional at the outset -- and we are now going to try and implement this. I assume our admin people are going to try to start compiling these things -- and say here at Headquarters we're going to issue one of these things for them to sign. What guidance are we going to give various supervisors in terms of answering the man's question when he says: Do I have to sign it or don't I? And what are the consequences if he doesn't?

MR. ECHOLS: Well, he must sign it if he wishes to be considered eligible --

25X1A9a [REDACTED] Well, that's an answer -- and I'd like to say this: If you don't sign it you don't join this wonderful system--

MR. ECHOLS: And I think as presently drafted the form itself clearly shows that this is a requirement of law which must be accomplished.

25X1A9a [REDACTED] That we don't make any attempt to force this lack of option, if we have agreed that he doesn't have it.

MR. ECHOLS: What you say to a man who does not want to sign, or refuses to sign, or is afraid to sign -- I don't know but what this should be a part of this piece of literature that we have to prepare, which will explain the significance and the interrelationships of these two retirement systems. I think that probably is a piece of the package, Harry, and that is going to be a most difficult thing to write.

25X1A9a [REDACTED] But for cause -- an individual who has a current physical disability would be for cause, and would be one of the decisions of a Deputy Director under the heading of criteria for qualifying service, wouldn't it? In other words, it would make no sense -- if I have an officer working for me at the moment who has had a heart attack, it would be perfectly silly for me to put this in front of him.

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refusing to go. Jim, I have people like this -- and I'm not looking for a definitive decision, but just that all the Directorates go about it the same way when someone refuses to sign it.

25X1A9a [REDACTED] We should bring these cases here, with some detail, and discuss them.

25X1A9a [REDACTED] Bring it to the Board and let them look at all the aspects of it.

MR. ECHOLS: Do you want to do some regulation review, or not?

25X1A9a [REDACTED] Not particularly.  
It's a little anticlimactic.

MR. ECHOLS: I judge you're all tired - is that right? Do I hear a motion for adjournment?

25X1A9a [REDACTED] I so move.

25X1A9a [REDACTED] Second.

MR. ECHOLS: Our next meeting will be at 2:00 next Thursday.

. . . . The meeting adjourned at 4:30 p.m. . . . .

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